



Senate

General Assembly

January Session, 2003

File No. 98

Senate Bill No. 972

Senate, March 31, 2003

The Committee on Program Review and Investigations reported through SEN. CRISCO of the 17th Dist., Chairperson of the Committee on the part of the Senate, that the bill ought to pass.

**AN ACT IMPLEMENTING THE RECOMMENDATIONS OF THE
PROGRAM REVIEW AND INVESTIGATIONS COMMITTEE
CONCERNING GOVERNMENT PERFORMANCE MEASUREMENT.**

Be it enacted by the Senate and House of Representatives in General Assembly convened:

- 1 Section 1. (NEW) (*Effective July 1, 2003*) The Secretary of the Office of
- 2 Policy and Management shall establish a program for the purpose of
- 3 measuring the performance of all budgeted state agencies. The
- 4 secretary shall: (1) Assure that each budgeted state agency develops
- 5 biennially a strategic business plan that (A) identifies the relevant
- 6 benchmarks defined by the Connecticut Progress Council pursuant to
- 7 section 4-67r of the general statutes, and (B) includes goals, objectives
- 8 and performance measures for each program, service and state grant
- 9 administered or provided by the agency; (2) assure that the goals,
- 10 objectives and performance measures included in each budgeted state
- 11 agency's strategic business plan address performance information
- 12 needs identified pursuant to section 4 of this act; (3) assure that each

13 budgeted state agency collects data on the performance measures and
14 benchmarks included in the agency's strategic business plan; (4) assure
15 that an annual report is prepared by each budgeted state agency on the
16 programs, services and state grants administered or provided by the
17 agency based on an analysis of the benchmark and performance
18 measurement data included in the agency's strategic business plan
19 and, beginning September 1, 2005, and annually thereafter, assure that
20 such report is submitted to the Legislative Program Review and
21 Investigations Committee in accordance with section 11-4a of the
22 general statutes; and (5) assure that the Legislative Program Review
23 and Investigations Committee and the joint standing committees of the
24 General Assembly having cognizance of matters relating to
25 appropriations and government administration and elections, and the
26 joint standing committee of the General Assembly having cognizance
27 of matters relating to the agency have access to the benchmark and
28 performance measurement data.

29 Sec. 2. Subsection (a) of section 2-53g of the general statutes is
30 repealed and the following is substituted in lieu thereof (*Effective July*
31 *1, 2003*):

32 (a) The Legislative Program Review and Investigations Committee
33 shall: (1) Direct its staff and other legislative staff available to the
34 committee to conduct program reviews and investigations to assist the
35 General Assembly in the proper discharge of its duties; (2) establish
36 policies and procedures regarding the printing, reproduction and
37 distribution of its reports; (3) review staff reports submitted to the
38 committee and, when necessary, confer with representatives of the
39 state departments and agencies reviewed in order to obtain full and
40 complete information in regard to programs, other activities and
41 operations of the state, and may request and shall be given access to
42 and copies of, by all public officers, departments, agencies and
43 authorities of the state and its political subdivisions, such public
44 records, data and other information and given such assistance as the
45 committee determines it needs to fulfill its duties. Any statutory
46 requirements of confidentiality regarding such records, data and other

47 information, including penalties for violating such requirements, shall
48 apply to the committee, its staff and its other authorized
49 representatives in the same manner and to the same extent as such
50 requirements and penalties apply to any public officer, department,
51 agency or authority of the state or its political subdivisions. The
52 committee shall act on staff reports and recommend in its report, or
53 propose, in the form of a raised committee bill, such legislation as may
54 be necessary to modify current operations and agency practices; (4)
55 consider and act on requests by legislators, legislative committees,
56 elected officials of state government and state department and agency
57 heads for program reviews. The request shall be submitted in writing
58 to the Program Review and Investigations Committee and shall state
59 reasons to support the request. The decision of the committee to grant
60 or deny such a request shall be final; (5) conduct investigations
61 requested by joint resolution of the General Assembly, or, when the
62 General Assembly is not in session, (A) requested by a joint standing
63 committee of the General Assembly or initiated by a majority vote of
64 the Program Review and Investigations Committee and approved by
65 the Joint Committee on Legislative Management, or (B) requested by
66 the Joint Standing Committee on Legislative Management. In the event
67 two or more investigations are requested, the order of priority shall be
68 determined by the Legislative Program Review and Investigations
69 Committee; (6) retain, within available appropriations, the services of
70 consultants, technical assistants, research and other personnel
71 necessary to assist in the conduct of program reviews and
72 investigations; (7) originate, and report to the General Assembly, any
73 bill it deems necessary concerning a program, department or other
74 matter under review or investigation by the committee, in the same
75 manner as is prescribed by rule for joint standing committees of the
76 General Assembly; [and] (8) review audit reports after issuance by the
77 Auditors of Public Accounts, evaluate and sponsor new or revised
78 legislation based on audit findings, provide means to determine
79 compliance with audit recommendations and receive facts concerning
80 any unauthorized, illegal, irregular or unsafe handling or expenditures
81 of state funds under the provisions of section 2-90; (9) direct its staff

82 and other legislative staff available to the committee to analyze and
83 comment on the annual reports submitted to the committee pursuant
84 to section 1 of this act; (10) direct such staff to analyze and comment on
85 the performance and benchmark data obtained pursuant to section 1 of
86 this act; and (11) beginning January 1, 2006, and annually thereafter,
87 direct such staff to distribute reports and data submitted by the
88 Secretary of the Office of Policy and Management with the committee's
89 comments on the reports and data to the joint standing committees of
90 the General Assembly having cognizance of matters relating to
91 appropriations and government administration and elections, and the
92 joint standing committee of the General Assembly having cognizance
93 of matters relating to the agency.

94 Sec. 3. (NEW) (*Effective July 1, 2003*) Whenever the Auditors of
95 Public Accounts conduct an audit pursuant to section 2-90 of the
96 general statutes, the auditors shall determine if: (1) The strategic
97 business plan required under section 1 of this act is current; (2) the
98 strategic business plan required under section 1 of this act contains all
99 the required elements; (3) the data pertaining to the performance
100 measures and benchmarks required by section 1 of this act are being
101 collected; and (4) the data being collected are reliable and valid.

102 Sec. 4. (NEW) (*Effective July 1, 2003*) Not later than January 1, 2005,
103 and annually thereafter, the joint standing committees of the General
104 Assembly having cognizance of matters relating to appropriations and
105 government administration and elections, and the joint standing
106 committee of the General Assembly having cognizance of matters
107 relating to each state agency, shall identify their performance
108 information needs with respect to the state agency for purposes of the
109 strategic business plan established pursuant to section 1 of this act.

110 Sec. 5. (*Effective from passage*) Not later than one hundred eighty
111 days after the effective date of this section, the Secretary of the Office
112 of Policy and Management shall establish a schedule whereby each
113 budgeted state agency shall biennially develop a strategic business
114 plan pursuant to section 1 of this act. The schedule established by the

115 Secretary of the Office of Policy and Management shall require at least
116 twenty per cent of the budgeted state agencies to develop such a plan
117 by July 1, 2005, and shall require that not later than July 1, 2008, all
118 budgeted state agencies are biennially developing such strategic
119 business plans.

This act shall take effect as follows:	
Section 1	<i>July 1, 2003</i>
Sec. 2	<i>July 1, 2003</i>
Sec. 3	<i>July 1, 2003</i>
Sec. 4	<i>July 1, 2003</i>
Sec. 5	<i>from passage</i>

PRI *Joint Favorable*

The following fiscal impact statement and bill analysis are prepared for the benefit of members of the General Assembly, solely for the purpose of information, summarization, and explanation, and do not represent the intent of the General Assembly or either House thereof for any purpose:

OFA Fiscal Note

State Impact:

Agency Affected	Fund-Type	FY 04 \$	FY 05 \$
Auditors	GF - Cost	84,000	84,000
Legislative Mgmt.	GF - Cost	47,000	47,000
Policy & Mgmt., Off.	GF - Cost	315,000	315,000
Policy & Mgmt., Off.	GF - Cost	Potential Significant	Potential Significant
Comptroller Misc. Accounts (Fringe Benefits)	GF - Cost	80,318	171,696

Note: GF=General Fund

Municipal Impact: None

Explanation

The bill requires the Office of Policy and Management (OPM) to establish a program for measuring the performance of all budgeted state agencies. It also establishes duties for the Legislative Program Review and Investigations Committee and the Auditors of Public Accounts regarding agency compliance.

OPM will require additional resources to undertake the development of performance measures and to monitor agency compliance. It is anticipated that five Management Analyst positions with an annualized cost of \$420,630 (\$300,000 for staff and \$120,630 in associated fringe benefit costs) and \$ 15,000 for equipment will be needed. The agency may incur potentially significant costs for consultant services.

The Auditors of Public Accounts will have a cost associated with determining whether an agency's strategic business plan is current and complete. Two Auditor 1 positions will be needed at a salary of \$40,000 each, plus associated fringe benefit costs of \$16,084 for a fully

annualized cost of \$112,168. Two computers will also be needed at a total cost of \$4,000.

The Legislative Program Review and Investigations Committee will incur costs to analyze and comment on agency annual reports. The committee will also be reviewing agency performance and benchmark data. The committee requires a Legislative Analyst position to handle these responsibilities at a salary of \$47,000 with associated fringe benefit costs of \$18,898, for a fully annualized cost of \$65,898.

The fringe benefit costs for state employees are budgeted centrally in the Miscellaneous Accounts administered by the Comptroller. The total fringe benefit reimbursement rate as a percentage of payroll is 40.21%, effective July 1, 2002. However, first year fringe benefit costs for new positions do not include pension costs lowering the rate to 18.81% in FY 04. The state's pension contribution is based upon the prior year's certification by the actuary for the State Employees Retirement System.

OLR Bill Analysis

SB 972

***AN ACT IMPLEMENTING THE RECOMMENDATIONS OF THE
PROGRAM REVIEW AND INVESTIGATIONS COMMITTEE
CONCERNING GOVERNMENT PERFORMANCE MEASUREMENT*****SUMMARY:**

This bill requires each budgeted state agency to develop a biennial strategic business plan under a performance measurement program and schedule that the Office of Policy and Management (OPM) secretary must establish. It requires agencies to prepare an annual report on programs, services, and state grants. The Legislative Program Review and Investigations Committee (LPRIC) must analyze and comment on the annual reports, as well as on agency performance and benchmark data, and forward reports from OPM to other legislative committees, along with its comments. Legislative committees must identify the performance information they need with respect to agencies' strategic business plans.

The auditors of public accounts must check for compliance with the bill's strategic business plan requirements when conducting their agency audits.

EFFECTIVE DATE: July 1, 2003, except the section requiring OPM to establish a schedule for agencies to develop strategic business plans is effective upon passage.

STRATEGIC BUSINESS PLANS

Under the program for measuring agency performance, the OPM secretary must assure that each agency develop a strategic business plan that:

1. identifies the Connecticut Progress Council's relevant benchmarks and includes goals, objectives, and performance measures for each program, service, and state grant it administers or provides and
2. addresses the performance information needs for the goals, objectives, and performance measures the Appropriations and

Government Administration and Elections (GAE) committees and the appropriate committees of cognizance annually identify beginning January 1, 2005.

OPM must also assure that each agency (1) collects the appropriate data for inclusion in the plan and (2) prepares an annual report on its programs, services, and state grants that analyzes the performance measurement and benchmark data from its strategic business plan. Beginning September 1, 2005, OPM must submit each agency's annual report to LPRIC. It must also assure that LPRIC, Appropriations, GAE, and the committees of cognizance have access to the data.

OPM must develop, with 180 days of the bill's passage, a schedule by which agencies must develop their biennial strategic plans. At least 20% of state agencies must develop plans by July 1, 2005; with all agencies phased in by July 1, 2008.

LEGISLATIVE PROGRAM REVIEW AND INVESTIGATIONS COMMITTEE

The bill adds to LPRIC's duties by requiring it to direct its staff and other available legislative staff to:

1. analyze and comment on the agencies' annual reports;
2. analyze and comment on the performance measurement and benchmark data; and
3. forward (on January 1 each year beginning in 2006) the reports and data it receives from OPM with its comments to Appropriations, GAE, and the appropriate committee of cognizance for each agency.

AUDITORS OF PUBLIC ACCOUNTS

In connection with regular agency audits, the auditors must also determine whether an agency's strategic business plan is current and complete, with reliable and valid data pertaining to its performance measures and benchmarks.

BACKGROUND

Current Performance Measurements

The Connecticut Progress Council must develop a long-range vision for the state and establish benchmarks to measure progress toward achieving it. Biennially, the council submits the benchmarks to OPM and the General Assembly for use in developing and reviewing the state budget (CGS § 4-67r).

OPM, in consultation with state agencies, must develop biennial goals and objectives and quantifiable outcome measures for every agency program, service, and grant and annually submit a report about such matters to the legislature. OPM must include an evaluation of the progress of budgeted agencies in achieving benchmarks established by the progress council (CGS § 4-67m).

The governor's biennial budget request must include, among other things, information on state agency programs, resources, objectives, and performance measures (CGS § 4-73).

COMMITTEE ACTION

Legislative Program Review and Investigations Committee

Joint Favorable Report

Yea 11 Nay 0